

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of Northwestern Bell Telephone  
Company's Proposed Tariff to Discontinue  
Operator Services to Local Exchange Carriers

ISSUE DATE: December 31, 1987

DOCKET NO. P-421/M-87-815

ORDER SUSPENDING TARIFF AND  
INITIATING INVESTIGATION

PROCEDURAL HISTORY

On December 7, 1987, Northwestern Bell Telephone Company (NWB or the Company) filed proposed tariff changes with the Minnesota Public Utilities Commission (the Commission) that would discontinue the offering of operator services to local exchange carriers. It also announced its plan to transfer its provision of local and intraLATA operator services from AT&T Communications to U.S. West Service Link, Inc., a corporate affiliate of NWB. These services include calling card, person to person, third number, collect, coin paid, busy line verify and interrupt, call completion, and emergency call handling services. NWB stated that U.S. West Service Link, Inc. would provide these services to exchange carriers directly while NWB would continue to be the point contact with the exchange carriers.

On December 24, 1987, the Minnesota Department of Public Service (DPS) filed an emergency motion for declaratory rulings that relate to this matter. However, the DPS did not clearly identify its filing as addressing the proposed tariff change. In its motion the DPS requested the Commission to issue declaratory rulings before NWB may stop offering its existing operator services and transfer the provision of those services to U.S. West Service Link, Inc.: that NWB and U.S. West Service Link, Inc. file a joint application and have that application approved by the Commission pursuant to Minn. Stat. Section 237.23; that NWB file and receive Commission approval of an application to disconnect services under Minn. Stat. Section 237.12; that U.S. West Service Link, Inc. must apply for and obtain a certificate of territorial authority under Minn. Stat. Section 237.16 prior to providing local services and that the Commission has the exclusive right to grant telephone companies the authority to provide local telephone service; and, that NWB may not change its rates, terms, and conditions of existing services without applying for and receiving prior Commission approval.

On December 29, 1987, NWB filed its response to the DPS emergency motion. In its response, NWB requested that the Commission either deny the DPS motion or convene a contested case hearing.

On December 29, 1987, the Commission met to consider this matter.

### FINDINGS AND CONCLUSIONS

The Commission is charged by the legislature with the responsibility of insuring that telephone companies furnish reasonably adequate service and facilities for the accommodation of the public, and their rates, tolls, and charges are fair and reasonable. Minn. Stat. Section 237.06.

The Commission finds that the elimination of a service and the rates charged for that service is a change of rates. The Commission recognizes the tariff revisions filed by NWB in this matter as changes in the current rates of operator services through the elimination of a service previously offered by NWB. Minn. Stat. Section 237.075 (1986) establishes the procedure for Commission review of tariff filings that change rates. The Commission concludes that this matter is properly before it pursuant to Minn. Stat. Section 237.075 (1986) and that statute governs this proceeding. For these reasons, the Commission further concludes that it is not necessary at this time to grant the extraordinary relief and emergency declaratory rulings requested by the DPS and will deny the DPS motion.

The Commission further finds that NWB's proposed tariff raises a number of issues that must be investigated and analyzed before it can be approved. The Commission's investigatory authority is broad. Pursuant to Minn. Stat. Section 237.075, subd. 2 (1986), the Commission shall determine whether any questions regarding the reasonableness of the proposed rate change are resolved to its satisfaction. Clearly, the DPS motion and the filing itself raise questions that presently are not resolved. Pursuant to Minn. Stat. Section 237.081 (1986), the Commission has the express authority to summarily investigate any matter relating to any telephone service for any reason. In addition to determining whether NWB's proposal to discontinue the operator services to local exchange carriers is reasonable, the investigation should address what local and intraLATA operator services are being provided to local exchange carriers by NWB, whether the provision of those services should be changed, whether the tariffs accurately reflect those service, and the nature of the relationship between NWB and U.S. West Service Link, Inc.

The Commission concludes that an investigation of NWB's proposed tariff is necessary to address these issues and will so order.

Further, the Commission is concerned by statements in NWB's letters that there will be changes of claimed minimal impact upon its end-use customers due to shifting operator services provisioning from AT&T to US West Service Link, Inc. NWB claims there need be no tariff change because the precise services are not described in the present tariff. The Commission believes that this situation should be addressed as well in the investigation here. While the matter is being investigated, the Commission finds that NWB must maintain existing service at it was for its customers. NWB has

not properly proposed by tariff to change its services or rates and in that case customers are entitled to receive the same service as they have received in the past.

The Commission does not intend to limit parties' ability to address other relevant issues. Interested parties are requested to clearly identify which issue(s) they are addressing and whether there is sufficient evidence in the proposed tariff revision, comments of other parties, and exhibits to allow the Commission to resolve these issues. If not, the Commission urges interested parties to identify the specific evidence challenged or needed to be introduced for the Commission to resolve the questions.

The Commission will suspend the operation of NWB's proposed tariff pursuant to Minn. Stat. 237.075, subd.2 (1986) in order to determine the reasonableness of the proposed tariff changes and to fulfill its responsibility under Minn. Stat. Section 237.06 (1986). During the suspension period the Commission will direct NWB to continue to offer all services that it presently offers. By requiring NWB to maintain the status quo during the Commission's investigation of the proposed rate changes, the Commission can protect the public interest.

### ORDER

1. The Emergency Motion of the Minnesota Department of Public Service for Declaratory Rulings is hereby denied.
2. The Commission hereby accepts NWB's filings dated December 7, 1987 as a proposed change of rates under Minn. Stat. Section 237.075 (1986).

3. The operation of the proposed tariff revision is suspended until the Commission reaches a determination as to whether the revisions are unjust or unreasonable or until October 7, 1988, whichever occurs first.
4. The Commission hereby initiates an investigation, pursuant to Minn. Stat. Sections 237.075, subd. 2 and 237.081 (1986) to evaluate the reasonableness of Northwestern Bell Telephone Company's proposed tariff to discontinue operator services to local exchange carriers.
5. Parties shall report to the Commission within 60 days whether a contested case hearing will be necessary and identify the issues and material disputes of fact to be resolved through such hearing. Otherwise, the Commission may resolve this matter on written comments and/or oral agreement.
6. NWB shall maintain its existing operator services to end use customers until such time as proper tariff changes are filed to cover proposed changes in service.
7. Parties shall facilitate in every reasonable way this investigation. The parties shall furnish adequate responses to all reasonable information requests within 10 days of receipt.
8. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen  
Executive Secretary

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